

Table of Contents

This report provides weekly updates in the eight key areas identified as pillars of US government policy for victory in Iraq.

SECTION	SLIDE
<u>Highlights</u>	3
1. <u>Defeat the Terrorists and Neutralize the Insurgents</u>	5
2. Transition Iraq to Security Self-Reliance	6
3. <u>Help Iragis to Forge a National Compact for Democratic</u> Government	8
4. Help Iraq Build Government Capacity and Provide Essential Services	11
5. Help Iraq Strengthen Its Economy	16
6. Help Iraq Strengthen the Rule of Law and Promote Civil Right	<u>s</u> 23
7. Increase International Support for Iraq	24
8. <u>Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents</u>	27
Sources and Contact Information	29
Notes and Source Citations	30
2	UNCLASSIFIE

Highlights



1. Defeat the Terrorists and Neutralize the Insurgents

Iraqi soldiers from the 1st Battalion, 4th Brigade, 1st Iraqi Army Division, cleared the rural village of Subiyhat, near Falluja, of insurgents, marking their second independent operation.

2. Transition Iraq to Security Self-Reliance

On February 7, the Iraqi Navy Marine Unit took the lead in protecting the Al Basrah Oil Terminal, which accounted for 98 percent of Iraq's crude oil exports in 2005.

- 3. Help Iraqis to Forge a National Compact for Democratic Government
 The Independent Electoral Commission of Iraq (IECI) announced the certified results of the December 15, 2005 Council of Representatives election.
- 4. Help Iraq Build Government Capacity and Provide Essential Services
 The Al Fathah pipeline river and canal crossing projects are scheduled to be
 completed in March. Once completed, the project will increase the capacity to
 pump crude oil, refined products, and natural gas across the Tigris River. This
 will enable more crude oil to be exported via the Iraq-Turkey pipeline (ITP) if
 production rates increase.

Highlights



5. Help Iraq Strengthen Its Economy

The Baghdad Provincial Council (BPC) is supervising the collection of applications for inclusion in the list of the one million needlest families that will qualify for assistance under the new social safety net rules that were adopted by the Transitional National Assembly in December 2005.

6. Help Iraq Strengthen the Rule of Law

Chief Judge Raouf Abdel-Rahman pressed ahead with Saddam's trial, ordering Saddam and his seven co-defendants to attend the session despite a defense boycott.

7. Increase International Support for Iraq

Iraqi reaction to the Danish cartoons has provoked local protests in Basra and demands for a Danish withdrawal from Iraq. The Iraqi government continues to support the Danish presence in Iraq.

8. Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents

On February 12, Ambassador Zalmay Khalilzad published an op-ed in the Los Angeles Times stating that "this is a moment of opportunity" in Iraq.

[1.] Defeat the Terrorists and Neutralize the Insurgency



Iraqi, US Security Forces Capture, Kill Insurgents:

 Iraqi and US soldiers killed two terrorists and captured 16 in the Tikrit area, and Iraqi police and American troops captured eight suspected terrorists and destroyed two weapons caches in the Baghdad area. Iraq's National Police working with Multinational Division Baghdad soldiers detained the suspects today and destroyed the caches.

<u>Iraqi Army Leads Operation</u>:

 Iraqi soldiers from the 1st Battalion, 4th Brigade, 1st Iraqi Army Division, cleared the rural village of Subiyhat, near Falluja, of insurgents, marking their second independent operation. Marines from 1st Battalion, 1st Marine Regiment, Regimental Combat Team 8, assisted in the operation by providing security on the outer perimeter. The operation resulted in the detention of four suspected insurgents and enhanced relations between the citizens of Subiyhat and the Iraqi army.

[2.] Transition to Security Self-Reliance – Iraqi Security Forces



<u>Iraqi Military Police School Prepares Soldiers to 'Serve and Protect':</u>

 The Iraqi Military Police School at An Numaniyah training base is training solders from the 10 Iraqi Army MP companies to further develop their military policing skills. The school trains and equips the soldier in an effort to standardize Iraqi MP units across the army. These units provide support in the form of battlefield circulation control, area security operations and law and order, in addition to enemy prisoner of war and detainee control operations.

<u>Iraqi Navy Protects Country's Oil Platforms</u>:

On February 7, the Iraqi Navy Marine Unit took the lead in protecting the Al Basrah Oil Terminal, which accounted for 98 percent of crude oil exports in 2005. Up until this month the platform Coalition forces were the lead protection force with assistance from the Iraqis. The Iraqi Navy's primary mission is to protect the Iraqi coast, territorial waters, vital ports and offshore assets against both external and internal security threats.

[2.] Transition Iraq to Security Self-Reliance – Iraqi Security Forces



Ministry of Interior Forces

COMPONENT	TRAINED & EQUIPPED		
POLICE	~92 900		
HIGHWAY PATROL	~83,800		
OTHER MOI FORCES	~37,900		
TOTAL	~121,700*		

Ministry of Defense Forces

COMPONENT	OPERATIONAL
ARMY	~104,800
AIR FORCE	~500
NAVY	~800
TOTAL	~106,100**

Total Trained & Equipped ISF:

~227,800

- * Ministry of Interior Forces: Unauthorized absence personnel are included in these numbers
- ** Ministry of Defense Forces: Unauthorized absence personnel are not included in these numbers

 Data as of February 3, 2006 (updated bi-weekly by DOD)

[3.] Help Iraqis to Forge a National Compact for Democratic Government— Developments



Election/Government Formation:

 The Iraqi Transitional Government Prime Minister Ibrahim Jafari was nominated by the United Iraqi Alliance to continue as Prime Minister in the forthcoming government.

<u>USAID conducts successful training on basic parliamentary skills:</u>

From January 24 to 26, the governance team for the National Democratic
Institute conducted three days of training for 18 staff members of the Iraqi Council
of Representatives. The training introduced the Iraqis to parliamentary theory
and procedures, lessons in the function of parliament in society, the council's
current and evolving staff structure, the function of legislative committees,
terminology, rules of procedure, fundamentals of time management, report writing
skills, and techniques for holding effective meetings.

Karadah District Advisory Council (DAC) Air on Talk-Radio in Davenport:

In coordination with Embassy Public Affairs Office, members of the Karadah (an area of Baghdad) and a radio station in Davenport, Iowa participated in a live radio talk show exchange. The Karadah DAC is one of the most progressive and successful councils in Iraq. The exchange lasted for 20 minutes even though it originally was scheduled for 10 minutes. The radio station expressed appreciation for the opportunity, and the council members were enthusiastic about their participation in the event.

[3.] Help Iraqis to Forge a National Compact for Democratic Government— Developments



IECI Official Announced 15 December 2005 Election Results:

The Independent Electoral Commission of Iraq announced the official election results on February 10.

Political Entity Name	Ballot Number	Total Votes	Governorate Seats	Compensatory Seats	National Seats	Total Seats
Unified Iraqi Coalition	555	5021137	109	0	19	128
Kurdistani Gathering	730	2642172	43	0	10	53
Tawafoq Iraqi Front	618	1840216	37	0	7	44
National Iraqi List	731	977325	21	0	4	25
Hewar National Iraqi Front	667	499963	9	0	2	11
Islamic Union of Kurdistan	561	157688	4	0	1	5
Liberation and Reconciliation Gathering	516	129847	3	0	0	3
Mithal Al Aloosi List for Iraqi Nation	620	32245	1	0	0	1
Iraqi Turkoman Front	630	87993	1	0	0	1
Progressives	631	145028	1	0	1	2
Al Ezediah Movement for Progressing and Reform	668	21908	1	0	0	1
Al Rafedain List	740	47263	0	1	0	1
Total			230	1	44	275

[3.] Help Iraqis to Forge a National Compact for Democratic Government - Iraqi Transitional Government

Provinces

Sa'd al-Hardan



President Deputy President Jalal Talabani **Deputy President** Sheikh Ghazi al-Yawr 'Adil 'Abd al-Mahdi **Prime Minister Deputy Prime Minister Deputy Prime Minister** Ibrahim al-Ja'fari **Deputy Prime Minister Deputy Prime Minister** Rawsh Shaways 'Abd Mutlak al-Juburi Ahmad al-Chalabi Vacant Minister of Displacement Minister of Minister of Minister of **Minister of Culture Minister of Defense Agriculture** & Migration **Electricity** Communications Juwan Fu'ad Ma'sum Sa'dun al-Dulaymi Suhayla al-Kinani (F) Ali al-Bahadili Nuri al-Rawi Muhsin Shallash (F) Minister of Minister of Minister of Foreign **Minister of Higher** Minister of Finance Minister of Health **Education Environment Education Affairs** Abdul Mun'im al-Narmin 'Uthman (F) 'Ali 'Allawi Hoshyar Zebari Abd al-Muttalib al-Rubay'i Sami al-Muzaffar Falah Hasan Minister of Labor & Minister of Human Minister of Industry Minister of Housing & Minister of Minister of Justice **Rights Social Affairs** & Minerals Construction Interior 'Abd al-Husayn Idris Hadi Vacant Usama al-Najafi Bayan Jabr Jasim Ja'far Shandal **Minister of Municipalities** Minister of Minister of Science & Minister of **Minister of Oil Minister of Trade Technology** & Public Works **Planning Transportation** Hashem al-Hashemi 'Abd al-Basit Salam al-Maliki **Barham Salih** Basima Butrus (F) Nasreen Berwari (F) (Acting) Mawlud Minister of Youth & Minister of State for **Minister of Water** Minister of State for Minister of State for National **Sports Civil Society National Assembly Affairs Security Affairs** Resources Safa' al-Din al-Safi 'Abd al-Latif Rashid 'Ala' abib Kazim 'Abd al-Karim al-'Anzi Talib Aziz al-Zaini Minister of State for Minister of State for Minister of State for

Tourism and Antiquities
Hashim al-Hashimi

Women's Affairs

Azhar al-Shaykhli (F)

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(F) = Female

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Financials from Iraq Relief and Reconstruction Fund (IRRF) 1 and IRRF 2



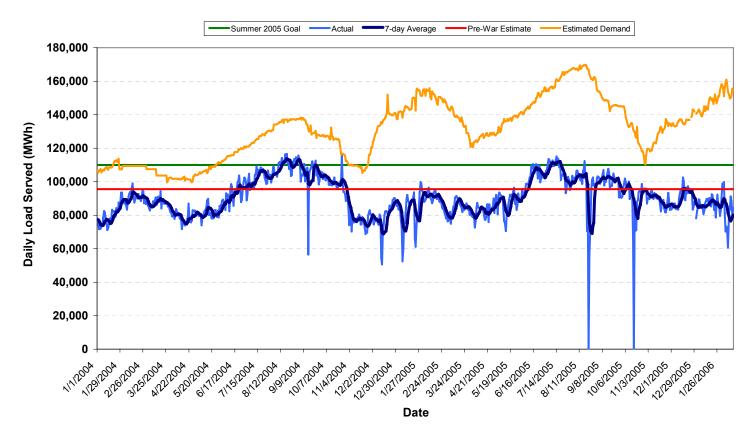
\$Millions	Apportioned		Committed			Obligated			Disbursed		
Sector	2207 Report	Apportion	Last Week	Current	Change	Last Week	Current	Change	Last Week	Current	Change
Security and Law Enforcement	5050.60	5050.60	4,947.2	4,949.9	2.68	4,804.5	4,805.2	0.73	4,207.2	4,220.9	13.7
Electricity Sector	4309.82	4077.22	3,695.3	3,704.0	8.73	3,216.0	3,256,3	40.34	1,902.3	1,926.1	23.8
Oil Infrastructure	1723.00	1723.00	1,690.6	1,690.6	0.00	1,492.4	1,523.5	31.15	727.5	7412	13.7
Justice, Public Safety and Civil Society	1251.15	1251.15	1,214.8	1,215.7	0.88	1,139.8	1,139.9	0.02	728.1	773.0	44.8
Democracy	1033,85	1033.85	974.7	974,7	0.00	973.4	973.4	0.00	648.6	650.2	1.6
Education, Refugees, Human Rights, Governance	383.00	383.00	342.0	342.0	(0.00)	337.7	337,7	(0.00)	225.9	226.6	0.7
Roads, Bridges and Construction	333.72	333.71	291.0	292.0	0.68	262.9	267.9	5.01	172.9	173.1	0.2
Health Care	739.00	739.00	732.1	732.1	0.00	643.1	647.2	4.12	396.6	397.8	1.2
Transportation and Communications	470.51	470.51	430.4	430,4	(0.00)	379.0	381.7	2.69	223.8	227.0	3.2
Vater Resources and Sanitation	2131.08	1819.08	1,586.1	1,586.9	0.76	1,434.5	1,453.1	18.68	790.1	811.0	20.9
Private Sector Development	800.28	800.28	793.5	793.5	0.00	782.3	782.3	0.00	576.4	579.4	3.0
Admin Expense (USAID, STATE)	213.00	213.00	159.7	159.7	0.00	159.7	159.7	0.00	59.2	59.2	0,0
TOTAL	18439.00	17894.40	16,857.8	16,871.5	13.72	15,625.3	15,728.0	102.74	10,658.6	10,785.5	126.8
IRRF 2 Construction			9,567.9	9,568.4	0.48	8,641.3	8,712.4	71.17	5,420.9	5,486.7	65.8
IRRF 2 Non-Construction			6,315.2	6,328.4	13.24	6,010.6	6,042.2	31.57	4,589.1	4,648.5	59.5
IRRF 2 Democracy			974.8	975.3	0.52	973.4	973.4	(0.01)	648,6	650.2	16
IRRF 1 Subtotal	2473.30	2473.30	2,473.3	2473.30	0.00	2,473.3	2,473.3	0.00	2,406.6	2,406.6	0.0
Grand Total IRRF 1 8 2	20912.30	20367.70	19,331.1	19,344.8	13.72	18,098.6	18,201.3	102.74	13,065.2	13,192.1	126.8

As of February 15, 2006

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Electricity Overview



Daily Electricity Supplied and Estimated Demand in Iraq Since January 2004



- Electricity availability in Baghdad dropped in the last week (February 7-13) with an average of 4.6 hours per day. Performance continues to be low due to poor performance by Baghdad area plants.
- Nationwide average electricity availability stayed steady at 10 hours per day.
- Despite the decreased levels, electricity output since the start of 2006 is approximately equal to that for the same period a year ago.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Electricity and Education



Electricity:

- Insurgents interdicted two natural gas pipelines feeding former power plants on February 12 and 15, impacting electricity generation this week. Wet conditions and lack of security are hampering efforts to repair critical transmission lines.
- Construction is complete on two USG-funded electrical distribution projects in the Erbil Province. The Khanzad Substation (\$3.9M) and overhead feeder (\$2.9M) will benefit over 30,000 people in the Khanzad and Erbil Communities. Out of the 14 electrical projects planned for the Erbil Province, six are under construction.

Education:

 Renovation of the Al Tarbia School in Adhamiyah, Baghdad Province was completed on February 8. This project consists of repairing damaged structural members, installing new electrical service, painting, remodeling restrooms, adding lights and ceiling fans, and general cleanup/leveling of school grounds. This facility will provide approximately 250 students in grades K-6 a better learning environment.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Public Health, Healthcare, Water and Sanitation



Public Health and Healthcare:

- A hospital in Shekhan Village, Ninawa Province, was recently renovated with \$290,000 in USG funds. The hospital, which now includes a doctor's residence and a new drug store, serves as the main hospital for four small villages and will provide improved medical care to over 3,000 Iraqis in these communities.
- Modernization of the Al Baladi Maternity and Pediatric Hospital in Sadr City is underway. Completion of this USG-funded \$12.3 million project is anticipated in April 2006. Workers from Parsons Delaware Inc. and Al Farouq Co. repaired and replaced plumbing, electrical and mechanical systems.

Water and Sanitation:

- USAID grants have restored irrigation systems in 27 villages in northern Iraq using 225 Iraqis, including 19 skilled workers. Cleaning channels has enhanced agricultural productivity, improving farmers' income and the local economy. Another USAID grant was used by a neighborhood council in central Iraq to repair its sewage system, benefiting nearly 5,000 residents. Pumping station repairs greatly reduced the presence of raw sewage in city streets.
- The Sadr Al-Yousefiyah water treatment plant in south Baghdad is now operational
 with assistance from US soldiers. A full time staff is also being trained to run and
 maintain the plant.

[4.] Help Iraq Build Government Capacity and Provide Essential Services – Transportation and Communications



Transportation:

- The Iraq Reconstruction Management Office (IRMO) has approved the addition of up to \$40 million for the completion of the Communications-Based Train-Control System. The Department of Transportation's Volpe Center is providing technical assistance on specifications. A prototype installation for three locomotives is currently scheduled for March.
- The US Trade and Development Agency (USTDA)-funded project to develop a strategic business plan for the Iraqi Railroad is approaching completion. The contractor expects to present the draft plan to IRMO and the Iraqi Ministry of Transportation in late February, and to issue a final plan in March.
- Five miles of unimproved road were paved in Samarra, Salah Ad Din Province, providing access to a local school and other community services.

Communications:

- The Wireless Broadband Network project is complete and the system is operational at 35 government sites. Operations and maintenance and on-the-job Training is continuing.
- The Consolidated Fiber Network (CFN) is an extension to the existing Iraq Telephone and Postal Company (ITPC) fiber network that provides command, control and communications for the Ministry of Electricity (MoE) and additional capacity for ITPC. The overall project is over 25 percent complete, with on-schedule completion forecast for summer 2006. 42 Ministry of Electricity site assessments are complete and under review. Outside plant fiber cable work is 60 percent complete, providing fiber connectivity for 29 of the 42 sites.

[5.] Help Iraq Strengthen Its Economy – Oil Update and Job Creation



Oil Update:

- Crude oil prices in world markets for the week ending February 10 closed with the following prices:
 - Basra Light at \$52.60/barrel

– Dated Brent at \$60.77/barrel

WTI Cushing at \$63.04/barrel

- Oman/Dubai at \$58.64/barrel

Employment Update:

• The following chart shows the number of Iraqis employed by USG-administered projects:

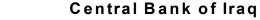
Employing Organization	Iraqis Last Week	Iraqis This Week	% Increase on Week
PCO (Project and Contracting Office)	34,834	36,320	4.27%
USAID	51,048	57,247	12.14%
AIRP (Accelerated Iraqi Reconstruction Program)	1,268	1,680	32.49%
MILCON (Military Construction)	432	313	-27.55%
CERP (Commanders' Emergency Response Program)	0	0	0.00%
MNSTC-I	16,619	16,619	0.00%
IRRF NON-CONSTRUCTION	15,729	15,887	1.00%
GRAND TOTAL	119,930	128,066	6.78%

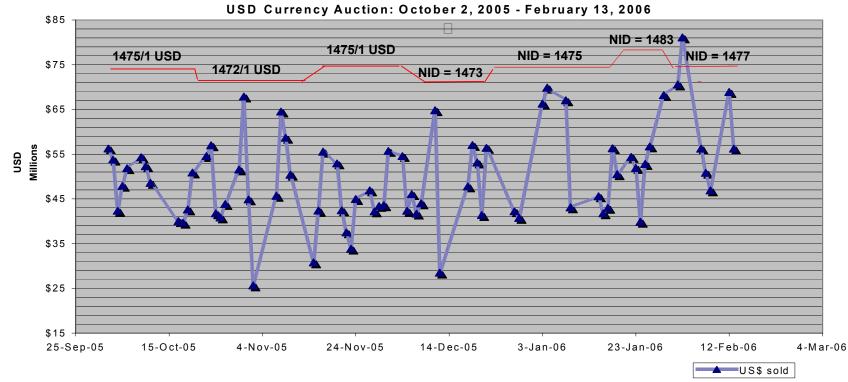
[5.] Help Iraq Strengthen Its Economy - Banking Sector



Central Bank's US Dollar (USD) Currency Auction:

 The following table shows volume sold and exchange rates for USD in the Iraqi currency auction since October 2, 2005. The dinar remained stable against the dollar this week, ending at 1,477 dinars per USD on February 13.





^{*}On January 8, the CBI purchased \$1,320,000 of Iraqi Dinars at the exchange rate of 1481 NID/\$.

^{*}The NID exchange rate line is calculated as a weekly weighted average.

[5.] Help Iraq Strengthen Its Economy



Social Safety Net Assessment Underway in Baghdad:

 The Baghdad Provincial Council (BPC) is supervising the collection of applications for inclusion in the list of the one million needlest families that will qualify for assistance under the new social safety net rules that were adopted by the Transitional National Assembly in December 2005.

<u>Privatization of State-owned Enterprises:</u>

- Some Iraqi ministers are showing an interest in moving forward with privatization of state-owned enterprises (SOE). The Ministry of Industry and Minerals (MIM) has taken the lead with an experimental plan to partially privatize two cement factories, with the government retaining at least 15 to 24 percent ownership. A key component, at least temporarily, is to restrict any work force restructuring.
- Last August, an inter-ministerial committee recommended a comprehensive, centralized "rehabilitation" of SOEs via a central agency to be created by new legislation. Although the agency has not yet been established, it has already encouraged other ministries to proceed with the privatization process.

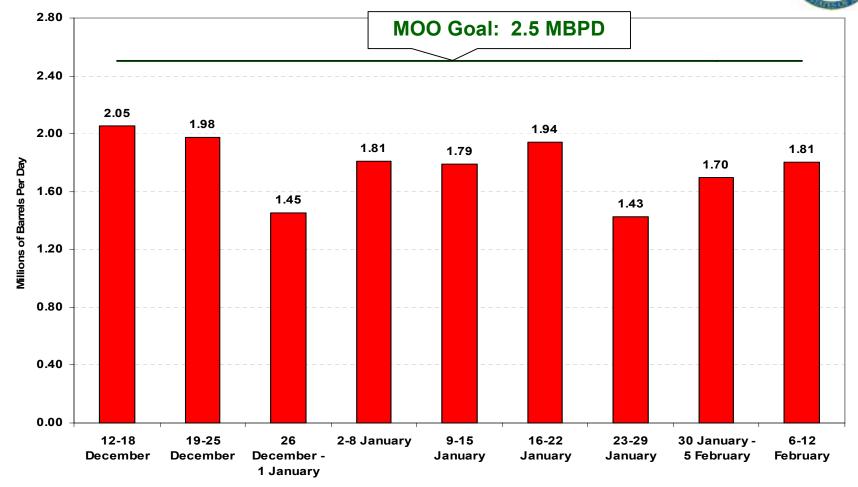
Iraq Crop Dusting:

Wheat and date palm crop dusting in Iraq should start as early as March 15. There is
a particularly heightened need to spray this year since it has not been done for the
past two years. IRMO is closely engaged with the central government to ensure
spraying throughout Iraq begins on time.

[5.0] Help Iraq Build Government Capacity and Provide Essential Services –





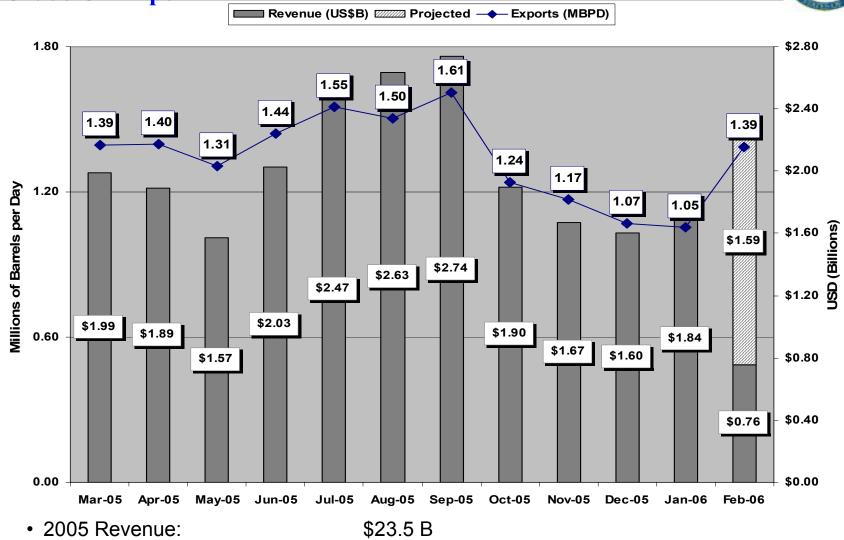


Production ——Target

• Weekly Average (Feb 6-12) of 1.81 Million Barrels Per Day (MBPD)

[5.0] Help Iraq Build Government Capacity and Provide Essential Services –

Crude Oil Export



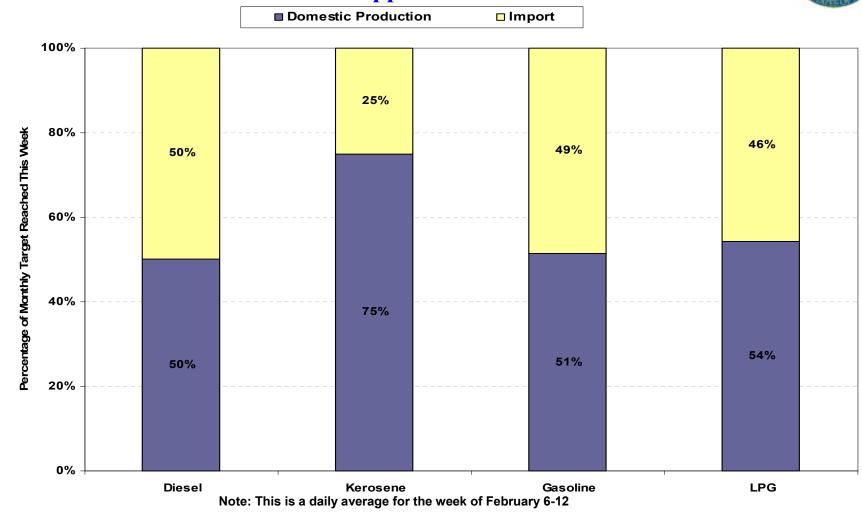
\$2.6 B

(Year to Date)

[5.0] Help Iraq Build Government Capacity and Provide Essential Services -

Total Critical Refined Product Supplies





Diesel: 8.3 ML supply of 20.6 ML target
 Gasoline: 8.7 ML supply of 23.4 ML target

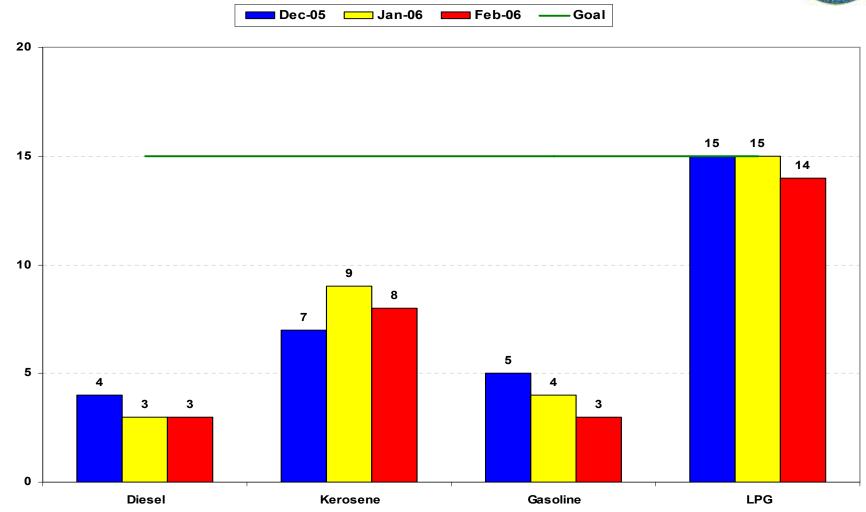
Kerosene: 3.5 ML supply of 10.5 ML target

• LPG: 2,459 tons supply of 4,400 tons target

[5.0] Help Iraq Build Government Capacity and Provide Essential Services —

National Stock Levels





• The goal is to have on hand 15 days supply of all refined products, calculated on the basis of maximum consumption over the year and not adjusted for seasonal variation. The numbers given above are monthly averages.

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[6.] Help Iraq Strengthen the Rule of Law and Promote Civil Rights – Iraqi Judicial System



Saddam Hussein Trial Update:

- Chief Judge Raouf Abdel-Rahman forced Saddam Hussein to attend his trial Monday. His top co-defendant and half brother Barzan Ibrahim sat on the floor, his back to the judge, for much of the session. The judge pressed ahead after the stormy start, sparked by his decision to order Saddam and his seven codefendants to attend the session despite a defense boycott.
- During the three-hour session, prosecutors made their strongest attempt yet to directly link Saddam to executions that allegedly took place in a 1982 crackdown in the Shiite town of Dujail north of Baghdad.
- They produced documents, one with Saddam's handwriting, and put two members of Saddam's former regime on the stand as witnesses for the first time.
- On Tuesday deposed Iraqi dictator Saddam Hussein told a Baghdad court that he and his seven co-accused are on hunger strike in protest at their treatment. The trial has been adjourned until February 28.

[7.] Increase International Support for Iraq – Developments



New Cartoon Controversy Developments:

 The provincial council in the Iraqi city of Basra demands the withdrawal of Denmark's 530-member military contingent from southern Iraq unless the Danish government apologizes for the publication of the drawings. European Commission President Jose Manuel Barroso backs Denmark in the dispute over the drawings, saying freedom of speech is a "fundamental value" that cannot be compromised.

WHO Team Investigates Bird Flu Cases:

• A WHO-led team of international experts, including epidemiological expertise from the European Centre for Disease Prevention and Control, investigated the first human case of H5N1 avian influenza in the northern part of the Iraq. In addition to the confirmed fatal case, two patients under investigation for possible H5N1 infection have died. A possible H5N1 case in the southern part of the country has also been officially reported to WHO by the Ministry of Health however this has yet to be laboratory confirmed.

[7.] Increase International Support for Iraq – Developments



<u>UN Security Council and International Community Welcomes Final Results of Election</u>:

• On February 14 the UN Security Council welcomed the final results of the Iraqi election and called on political leader to form "a fully inclusive government" that will strive to build a democratic and united country. The Council also underlined the need for continuing and "enhanced international support" for Iraq and called on the United Nations "to play the fullest possible role" in the country. It also called on Iraq's neighbors to consider "how they can reinforce their contribution at this important time." Foreign Ministers and heads of organizations also publicly welcomed the results of the elections this week, including the Arab League Secretary General, EU Presidency, and Egyptian and UK Foreign Ministers.

[7.] Increase International Support for Iraq – Contributors to Iraqi Stability Operations



Data as of February 6, 2006

26 Multi-National Forces – Iraq (MNF-I) Contributors (in addition to US)

Albania

El Salvador

Lithuania

Romania

Armenia

Estonia

Macedonia

Slovakia

Australia

Georgia

Moldova

South Korea

Azerbaijan

Italy

Mongolia

Ukraine

Bosnia-Herzegovina

Japan

Netherlands

UK

Czech Republic

Kazakhstan

Poland

Denmark

Latvia

Portugal

TOTAL ~ 20,000 Forces

*Note: Fiji participating as a part of the UN mission in Iraq.

29 Countries and NATO

(including US)

Support Iraqi Stability Operations

[8.0] Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents — Developments



Strategic Communications:

- On February 12, Ambassador Zalmay Khalilzad published an op-ed in the Los Angeles
 Times stating that "this is a moment of opportunity" in Iraq. "Thanks in part to systematic
 outreach efforts by the United States, Sunnis have undergone a sea change in attitude about
 participating in post-Hussein governance, culminating in their massive turnout in the
 December elections. To build on this progress, Iraq's leaders now need to agree on a
 process to unite the country."
 - "First, they need to form a government of national unity. It means selecting ministers from all communities who will build political bridges, who are committed to a unified Iraq and who have demonstrated professional competence.
 - Iraqi leaders also must agree to a decision-making process that gives political minorities confidence that the majority will share power and take their legitimate concerns into account.
 - Next, Iraq's leaders need to agree on a true national compact for their country a vision and set
 of political rules that will produce stability and progress.
 - Then, Iraq's leaders must forge an understanding with those insurgents who are willing to lay down their arms, join the political process and, perhaps, even enlist in the fight against the terrorists.
 - Sunni Arab rejectionists are joining the process of building a new and democratic Iraq. This not only opens the door for insurgents to permanently renounce violence and join the political process in order to stabilize Iraq, it also isolates the terrorists who are the enemy of all Iraqis."

[8.0] Strengthen Public Understanding of Coalition Efforts and Public Isolation of the Insurgents — Developments



Strategic Communications:

• On February 15, Secretary of State Condoleezza Rice testified before the Senate Foreign Relations Committee on the FY 2007 State Department Budget. "The President's Budget this year is in support of a foreign policy that is devoted to the creation of a more hospitable environment for the forward march of freedom and democracy. Democratic processes must be supported around the world. These are transitional periods in some parts of the world, like the Middle East, and the democratic transitions are indeed difficult. But people have to have their voice and the United States must stand for a principle that democratic processes, no matter how difficult, are always preferable to the false stability of dictatorship. You will notice that this year the President is requesting funding for Iraq and Afghanistan where young democracies are trying to make their way towards stability."

Iraq Weekly Status – General Information



 This brief draws from multiple sources. References are cited on the following pages.

Please forward all questions and/or comments to <u>NEA-I-IPOG-DL@state.gov</u>

Notes and Source Citations (1 of 4)



Slide 5:

- DoD Press Release, Feb. 13, 2006: http://www.dod.mil/news/Feb2006/20060213_4198.html
- DoD Press Release, Feb. 12, 2006: http://www.defenselink.mil/news/Feb2006/20060212 4189.html

Slide 6:

- MNSTC-I The Advisor, February 11
- MNSTC-I The Advisor, February 11

Slide 7:

DoD Input to Iraq Weekly Status Report 08 Feb 06

Slide 8:

- http://www.arabicnews.com/ansub/Daily/Day/060213/2006021307.html
- USAID Reconstruction Weekly Update 10 February 2006
- Embassy Baghdad Unclass O/I 14 February 2006

Slide 9:

IECI Website http://www.ieciraq.org/English/Frameset_english.htm

Slide 11:

- The IRRF Financial Chart is sourced from the 8 Feb 06 IRMO Weekly Status Report

Slide 12:

- POC Tom Gramaglia, (202) 736-4065
- The chart shows average daily power production in megawatt hours (MWh). 120,000 MWh goal equates to 20 hours at 6000 MW average supplied load or 24 hours at 5000 MW average supply load. Currently supplies are not much improved over last year when judged by hours of power, but this is due in part to an influx of new appliances. This has dramatically altered demand and diluted the effect of increased generation capacity on actual results.

Slide 13:

- USACE Daily Report 13 February 2006
- PCO Weekly Status Report 14 February 2006

Notes and Source Citations (2 of 4)



Slide 14:

- USACE Daily Report 14 Feb 06
- MNF-I Weekly Update 6 Feb 06
- PCO Reconstruction Report 14 February 2006.

Slide 15:

MNF-I Reconstruction Report – 6 February 2006.

Slide 16:

- Oil Prices are sourced from Bloomberg
- Information regarding the Employment Update was sourced from the IRMO Weekly Report February 15, 2006
- CERP has not reported figures for some time. Until they report accurate data, the number will remain at 0.
- PCO will be reporting on a bi-weekly basis.

Slide 17:

Information regarding the NID auction was gathered from the Central Bank of Iraq's website: http://www.cbiraq.org.

Slide 18:

- Information regarding the Social Safety Net Assessment was sourced from Embassy Unclassified O/I February 9, 2006
- Information regarding Iraqi inflation was sourced from Iraqi Business News February 14, 2006 http://www.iraqdirectory.com/DisplayNews.aspx?id=903

Slide 19:

- POC Matthew Amitrano, (202) 647-5690
- NOTE: Production dropped in the south due to tankers unable to dock at the oil terminals due to bad weather and southern storage facilities are
 at full capacity. With no where to send the crude, field managers have lessened output. As of Monday, the weather cleared and the situation
 should return to normal in a matter of days.
- Iraq Petroleum Sector Facts
- There are three main refineries in Iraq: Bayji (North), Daura (Baghdad), and Basra (South).
- There are several minor refineries (known as topping plants) dotted through the country: Kisik (Mosul), Qarrayah, Haditha, Tikrit, Nassiriyah, Maysan (Amarah), and Samawah. These primarily produce asphalt and low grade kerosene and diesel.
- The majority of Irag's oil infrastructure is antiquated and in need of modernization.
- Domestically produced refined products (gasoline/benzene, diesel, kerosene, LPG) currently do not meet domestic demand because of sabotage to the pipeline infrastructure. Iraq will be dependent upon imports until the insurgents cease operations against oil pipelines.

Notes and Source Citations (3 of 4)



Slide 20:

- -2003 = \$5.08 billion
- -2004 = \$17.5 billion
- Projected revenue implies if the current export rate held for the entire month.
- Al-Faw Terminals: Al-Basra Oil Terminal (ABOT) and Khor al-Amaya Oil Terminal (KAOT)
 - •Production and export are at normal rates.
- Iraq-Turkey Pipeline (IT)
 - •The IT line works intermittently since the Iraqis sell the crude oil in lumps.
- Iraq-Syria-Lebanon Pipeline (ISLP)
 - •This line has been closed since 2003.
 - •Discussions were held between Iraqi and Syrian government officials, but no timetable has been set up to reopen this line.
 - •In the meantime, Iraq has set up a barter arrangement in which it exports 14KBPD from the Ayn Zalah field to Syria for refined products and electrical production.
- Iraq Pipeline through Saudi Arabia (IPSA)
 - •This line has been closed since 1991. There are no plans to reopen this line.

Slide 21:

- POC Matthew Amitrano, (202) 647-5690
- Note: Data missing from Sept 2-4. This graph will be updated when the data arrives.
- Goals set by the State Oil Marketing Organization (SOMO), a company owned by the Ministry of Oil (MOO).

Slide 22:

- POC Matthew Amitrano, (202) 647-5690
- Note: Data missing from Sept 2-4. This graph will be updated when the data arrives

Slide 23:

- http://www.nytimes.com/aponline/international/AP-Saddam-Trial.html?_r=1&oref=slogin, February 13
- Aneesh Raman, <u>Hussein: I am on hunger strike</u>, http://www.cnn.com/2006/WORLD/meast/02/14/saddam.trial/index.html

Notes and Source Citations (4 of 4)



Slide 24:

- http://hosted.ap.org/dynamic/stories/P/PROPHET_DRAWINGS_DEVELOPMENTS?SITE=ALMON&SECTION=HO ME&TEMPLATE=DEFAULT
- http://www.ecdc.eu.int/

Slide 25:

- http://hosted.ap.org/dynamic/stories/P/PROPHET_DRAWINGS_DEVELOPMENTS?SITE=ALMON&SECTION=HO ME&TEMPLATE=DEFAULT
- http://www.ecdc.eu.int/

Slide 26:

DOD Input to Weekly Status Report 01 Feb 06-Report is updated bi-weekly.

Slide 27:

http://www.latimes.com/news/opinion/commentary/la-oe-khalilzad12feb12,0,6626357.story?coll=la-news-comment-opinions

Slide 28:

 U.S. DEPARTMENT OF STATE, Office of the Spokesman, Opening Remarks by Secretary of State Condoleezza Rice before the Senate Budget Committee, February 16, 2006